



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

January 6, 2005

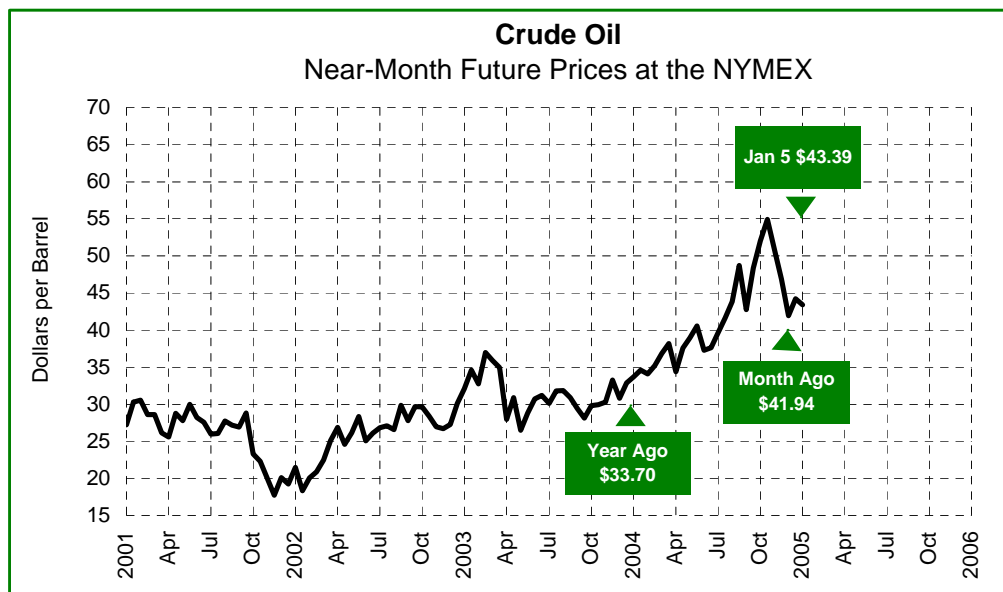
Crude Oil

On January 5, crude oil futures on the NYMEX settled at \$43.39 per barrel, an increase of \$9.69 per barrel compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>01-05-05</u>	<u>12-08-04</u>	<u>change</u>	<u>01-06-04</u>	<u>change</u>
NYMEX	\$43.39	\$41.94	up 3%	\$33.70	up 29%

- With the onset of the New Year, crude oil prices continue to track within the \$42 to \$44 per barrel price band. On January 5, crude oil futures on the NYMEX settled at \$43.39 per barrel, an increase of \$9.69 per barrel compared to this time last year.
- International crude production issues and lingering concerns regarding heating oil supplies through the end of the heating season are continuing to support high crude prices. News of Saudia Arabia's 0.5 million barrel per day production cut on Jan. 5, rising violence in Iraq and the bankruptcy filing by Russian oil major YUKOS are factors helping support higher crude prices.
- Although U.S. distillate supplies, including heating oil, grew by 2 million barrels for the week ending Dec. 31, 2004, current supplies are more than 14 million barrels lower compared to this time last year, contributing to higher prices for both crude oil and petroleum products.



- For the week ending Dec. 31, 2004, U.S. commercial crude oil supplies stood at an estimated 291.8 million barrels, well within the 5-year supply range for this time of year. Crude supplies are 22.8 million barrels higher compared to last year's storage levels, according to EIA.

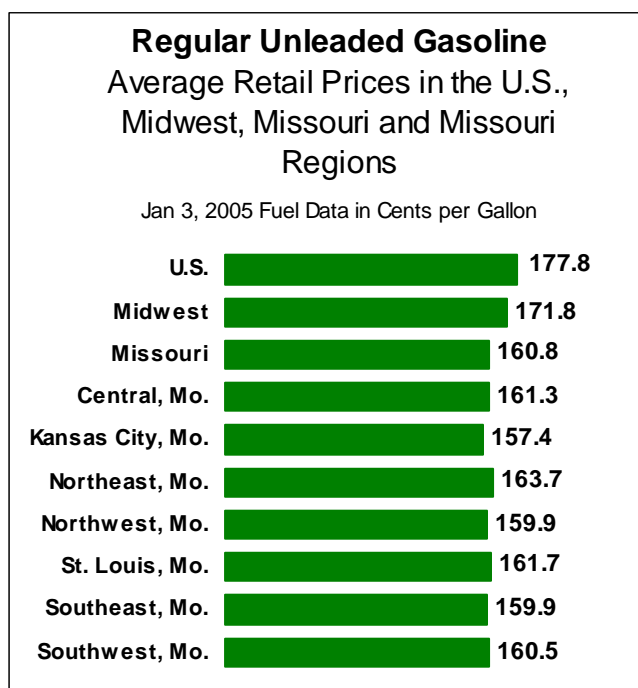
Transportation Fuels

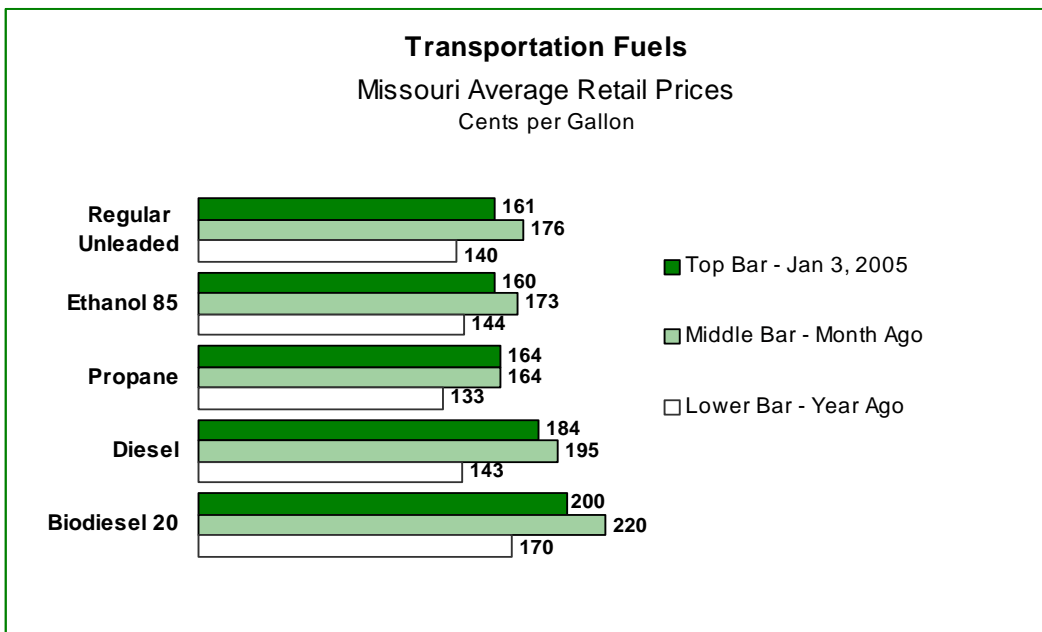
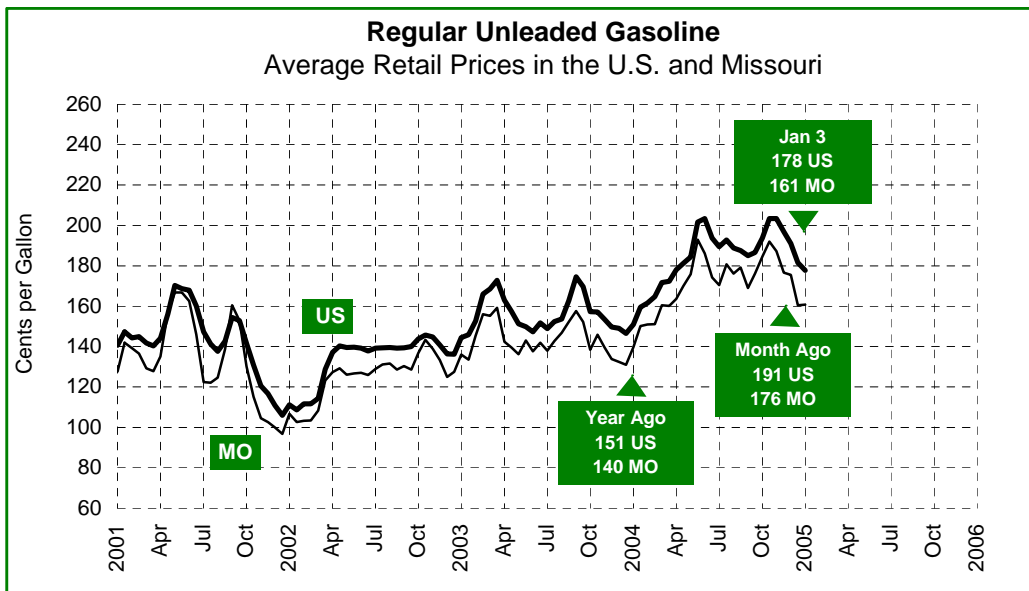
Missouri's average retail price for regular unleaded gasoline decreased 15 cents per gallon from the previous month to reach \$1.61 per gallon on Jan. 3.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>01-03-05</u>	<u>12-06-04</u>	<u>change</u>	<u>01-05-04</u>	<u>change</u>
US	178	191	down 7%	151	up 18%
Missouri	161	176	down 8%	140	up 15%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>01-03-05</u>	<u>12-06-04</u>	<u>change</u>	<u>01-05-04</u>	<u>change</u>
Missouri	184	195	down 5%	143	up 29%

- The U.S. average retail price for regular gasoline decreased by 1.3 cents per gallon from the previous week to reach 177.8 cents per gallon as of January 3. This is the ninth week in a row, and the tenth time in eleven weeks that prices have dropped. Retail gasoline prices have not been this low since March 29, 2004.
- Over the last year, Missouri's average retail gasoline prices have increased 15 percent, climbing from 140 cents per gallon to 161 cents per gallon. During the last month, Missouri retail prices have decreased by 15 cents per gallon, or 8 percent, in response to the falling price for motor gasoline at the NYMEX. Missouri motor gasoline retail prices peaked at nearly \$2 per gallon on May 17.





Motor Gasoline - Total Stocks (millions of barrels)					
	12-31-04	12-03-04	change	01-02-04	change
US	214.3	208.1	up 3%	206.3	up 4%

- U.S. gasoline supplies for the week ending Dec. 31 increased by 2 million barrels from the previous week, placing them at 214.3 million barrels, well within the 5-year average for this time of year and 8 million barrels higher than last year at this time. U.S. gasoline supplies increased due to higher gasoline production by refineries and gasoline imports compared to this time last year. Midwest gasoline supplies increased by 2.5 million barrels, moving from 50.9 million barrels on Dec. 24 to 52.4 million barrels on Dec. 31.

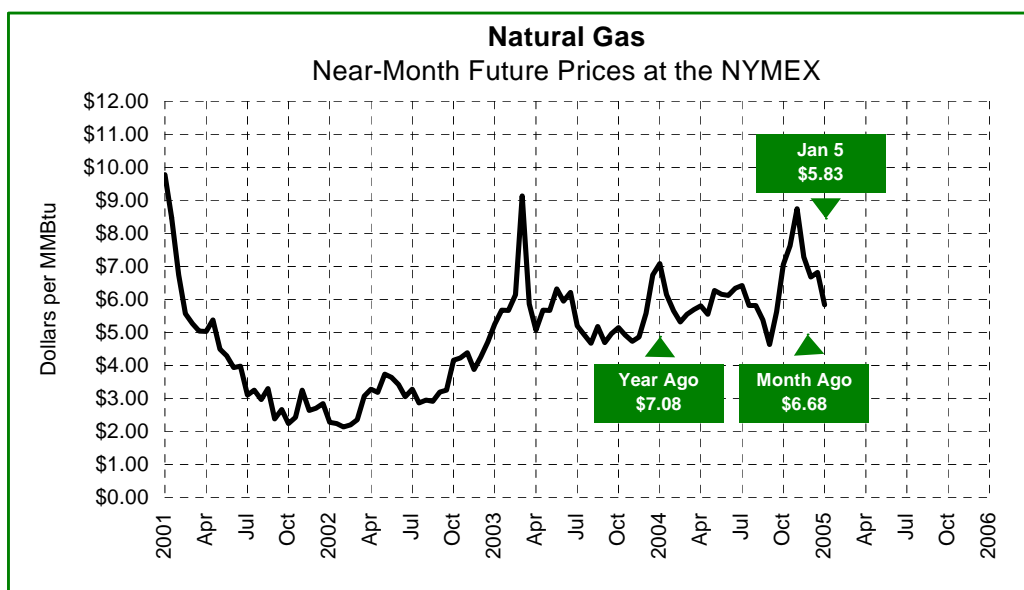
- U.S. gasoline production was estimated at 9 million barrels per day as of Dec. 31. Imports contributed an additional 0.8 million barrels per day, down 0.1 million barrels per day from the previous week.

Natural Gas

Approximately 56 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Jan. 5, natural gas futures closed at \$5.83 per MMBtu, a decrease of \$0.85 per MMBtu since last month and \$1.25 lower than last year, an decrease of 18 percent.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	01-05-05	12-08-04	change	01-06-04	change
NYMEX	\$5.83	\$6.68	down 13%	\$7.08	down 18%



- Working gas in underground storage decreased to 2,849 Bcf as of Friday, December 24, according to EIA's Weekly Natural Gas Storage Report; however inventories remained 14.4 percent, or 358 Bcf, above the 5-year average of 2,491 Bcf. This report marks the first time during this heating season (traditionally beginning November 1) that inventories have fallen below 3 trillion cubic feet, a level surpassed in the first week of December in each of the past two years.
- The implied net withdrawal of 178 Bcf during the week ending December 24—the largest of the season to date—coincided with the coldest weather so far this heating season. During the week ending December 25, the weather for the country as a whole was approximately 17 percent colder than normal, according to the National Weather Service.

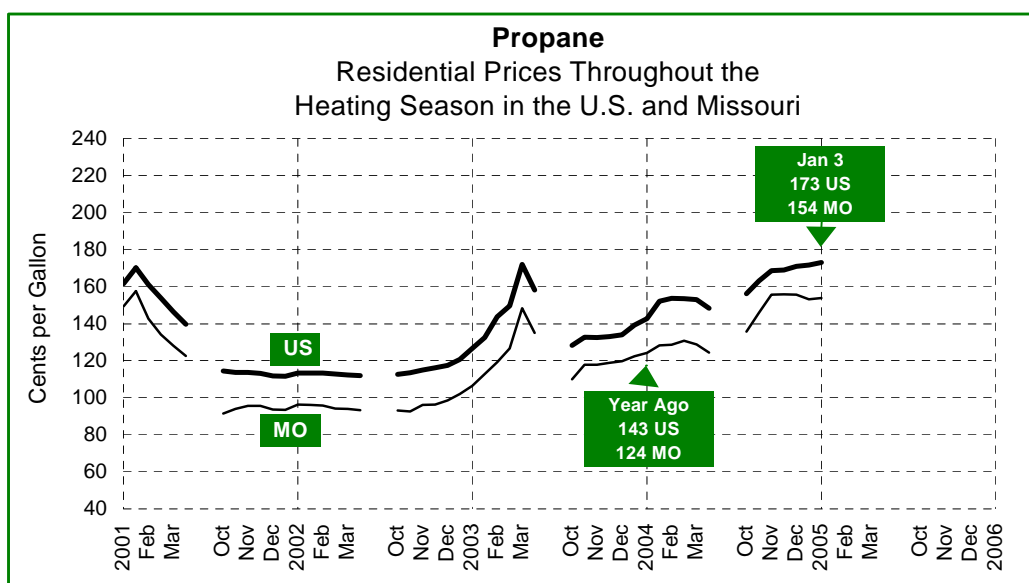
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.54 per gallon on Jan. 3, down \$0.02 from a month ago but still 24 percent higher than a year ago.

Propane - Residential Prices (cents per gallon)					
	01-03-05	12-06-04	change	01-05-04	change
Missouri	154	156	down 1%	124	up 24%

- As of Dec. 31, 2004, U.S. inventories reflected a net weekly loss of 1.3 million barrels, adding to the cumulative monthly decline of nearly 8.3 million barrels, a level below the 5-year average for December of 11.3 million barrels. Propane supplies stood at 55.4 million barrels as of Dec. 31.
- Midwest supplies decreased from the previous week, falling 0.4 million barrels to 18.6 million barrels as of Dec. 31. Midwest propane supplies are 3 million barrels lower compared to the same period last year. Since Dec. 10, Midwest supplies of propane have decreased by 2 million barrels due to space-heating demand.
- NYMEX propane future prices settled at \$0.69 per gallon on Jan 5 compared to \$0.59 this time last year. Propane prices remain higher than last year due to higher crude oil and natural gas prices.



Missouri Energy Outlook

The Missouri Energy Outlook, an energy resource analysis reviewing prices and availability of energy in Missouri over the winter months was released in November by the Missouri Department of Natural Resources' Energy Center. Copies of the Missouri Energy Outlook are available online at the department's Web site at <http://www.dnr.mo.gov/energy/publications.htm> or may be obtained by calling the Missouri Department of Natural Resources' Energy Center at (573) 751-3443 or the department toll free at (800) 361-4827.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm